



City of Seattle

Gregory J. Nickels, Mayor
Department of Planning and Development
Diane Sugimura, Director

**CITY OF SEATTLE
ANALYSIS AND DECISION OF THE DIRECTOR OF
THE DEPARTMENT OF PLANNING AND DEVELOPMENT**

Application Number: 2308656
Applicant Name: Brett Hansen, for Costco Wholesale Corporation
Address of Proposal: 4401 4th Avenue South

SUMMARY OF PROPOSED ACTION

Master Use Permit to establish the use for future construction of a 1-story, 158,415 sq. ft. retail sales & service building and a 3,840 sq. ft. accessory gas station canopy structure with a 72 sq. ft. controller enclosure (Costco Wholesale Corporation). Surface parking to be provided for 803 vehicles. Project includes demolition of existing structures and 26,900 cubic yards of grading.

The following approval is required:

SEPA – Environmental Determination
(Chapter 25.05, Seattle Municipal Code)

Special Exception – to allow retail and sales and service use within the Duwamish Manufacturing/Industrial Center to exceed the maximum size limit.
(SMC Section 23.50.027E)

SEPA DETERMINATION: ☐ Exempt ☐ DNS ☐ MDNS ☐ EIS

☒ DNS with conditions

☐ DNS involving non-exempt grading, or demolition, or another agency with jurisdiction.

BACKGROUND DATA

<u>Site Location:</u>	The project site is located along the west side of 4 th Avenue South, south of the intersection of Diagonal Avenue South & 4 th Avenue South and north of the portion of 4 th Avenue South that extends over the railroad right-of-way.
<u>Zoning:</u>	The site is located in a General Industrial 1 zone (IG-1) with an 85-foot maximum height limit and is within the Duwamish Manufacturing/Industrial Center as designated in Seattle's Comprehensive Plan.
<u>Project Site:</u>	The site contains approximately 640,036 square feet and has approximately 1,616 feet of frontage along 4 th Avenue South. The northwestern property line fronts on Diagonal Avenue South. The topography of the site is relatively flat
<u>Street Access:</u>	Access to the site is via 4 th Avenue South which at this location is a four-lane paved arterial developed with curbs, gutters and sidewalks on both sides of the street.
<u>Existing Use:</u>	The property is developed with two structures. The southern building is the existing Costco Wholesale building which is 121,915 sq. ft. The northern building is 119,000 sq. ft. in size and was most recently used as by the Seattle School District as a maintenance building.
<u>Zoning in Vicinity:</u>	Properties located along the west side of 4 th Avenue South are zoned IG-1 U/85 and along the east side, zoned IG-2 U/85. This immediate area is also located with the Duwamish Manufacturing/Industrial Center. The subject site as well as some surrounding properties is within the Duwamish area's historical shoreline officially identified by the U.S. Government Meander Line map. (per DPD Director's Rule 2-98). The property is also within an Environmentally Critical Areas (ECA) liquefaction zone.
<u>Uses in Vicinity:</u>	There is a mix of various commercial and industrial uses in the vicinity of the project site.
<u>Proposal Description:</u>	Costco Wholesale Corporation proposes to demolish the existing vacant maintenance building and to construct a one story, 158,415 sq. ft. building that would include accessory offices and tire center at the northern portion of the site. Once the new store is open, the existing Costco store will be demolished and the new gas station will be

constructed. The gas station will consist of 16 pump stations beneath a 14.5 foot high canopy and a 72 sq. ft. fuel pump controller enclosure. Surface parking for a total of 803 vehicles will be provided on site.

Public Comments

The DPD public comment period ended March 24, 2004. One comment letter was received.

The letter raised the issue that in June of 2001, the Seattle School District granted to the City a Restrictive Covenant which restricted the use of the property at 4141 4th Avenue South (the former School District warehouse/maintenance facility) to industrial uses. Because Costco will be expanding onto this site, and is not an industrial use, it appeared that this project proposal was inconsistent with the covenant.

In December of 2003, Mayor Greg Nickels had executed a Release and Termination of the Restrictive Covenant. The use restriction of the property no longer applies.

ANALYSIS – SPECIAL EXCEPTION

Section 23.50.027 of the Seattle Municipal Code limits the amount of non-industrial uses in industrial zones. A Retail Sales and Service use located in an Industrial General 1 (IG1) zone within the Duwamish M/I Center is limited to 25,000 sq. ft. Section 23.50.027E also provides that an increase in maximum size limits for operating businesses, up to a maximum of 30 percent may be permitted as a Special Exception according to the procedures set forth in Chapter 23.76, Master Use Permits and Council Land Use Decisions.

Section 23.50.027E2 indicates that in order to be eligible for this special exception, the applicant must demonstrate the following:

- a. The retail sales and service use was established on a lot on or before January 1, 1985, the use has continued as an established retail sales and service use since that date without interruption and it exceeded the size of use limits in Chart B as of September 1, 1999.*
- b. At least fifty (50) percent of the gross sales of the retail sales and service use are to businesses or business representatives; and*
- c. The use has not previously converted any use listed in Chart B to retail sales and service pursuant to subsection B2 of this section or expanded the gross floor area of the retail sales and service use pursuant to subsection B.4.a or B.4.b or this section.*

The existing retail sales and service use (Costco Wholesale) exceeded the size of use limits in Chart B as of September 1, 1999 and the gross floor area has not changed since 1990 when a 15,000 sq. ft.

addition to the building was completed. Permit history indicates that the size of the existing Costco Wholesale building is 121,915 sq. ft. A thirty (30) percent increase would allow a development of 158,489.5 sq. ft. The proposed development includes a new store (153,215 sq. ft.), tire center (5,200 sq. ft.) and a gas station (72 sq. ft). Total development proposed is 158,487 sq. ft.

Business records of Costco Wholesale Corporation indicate that at least 50 percent of the gross sales associated with retail sales and service uses at the existing Costco Wholesale store located at 4401 4th Avenue South are to businesses or business representatives within the Greater Seattle area. Documentation of business sales were presented and are part of the project file.

The retail sales and service use has not previously converted any use listed in Chart B to retail sales and service nor has it expanded the gross floor area.

Section 23.50.027E3 indicates that the Director shall consider the following and may impose conditions to assure that the following criteria are met:

- a. That well-defined boundaries, buffer, edge conditions or circulation patterns will separate the use, if the gross floor area of the retail sales and service use is expanded, from surrounding industrial activity;*
- b. That adverse impacts on nearby industrial uses are minimized; and*
- c. That the proposed expansion of the gross floor area of the retail sales and service use will increase the capacity of the existing use to support other businesses by providing goods and services that are used by such businesses as well as by individual consumer in the Duwamish Manufacturing/Industrial Center.*

The area southwest of the project site is bordered by Burlington Northern/Union Pacific Railroad rights-of-way. Tracks and railcar and container storage are located in this area. A rail spur right-of-way borders the west side of the site. This track serves Amtrak and King Street Station as well as other uses. Second Avenue South borders the west side of the spur. Industrial uses such as warehouses and manufacturing uses are located on the west side of 2nd Avenue South. The east side of the project site borders 4th Avenue South which is a 4 to 5 lane arterial. Industrial uses are located on the east side of 4th Avenue South. Landscaping is proposed along the east and north property lines to further strengthen the existing well-defined boundaries of the project site and to provide additional separation from surrounding industrial land uses.

The expansion of the Costco facility will allow Costco to implement its merchandising strategy which has developed over the past 20 years since the original store opened. Costco will be able to expand every facet of the current business and will be able to offer additional goods and services to the community which includes businesses and individual clientele. The increased square footage will allow Costco to offer the goods and services that are currently only provided in Costco stores located outside of the City of Seattle.

Section 23.50.027E4 indicates that in order to be eligible for expansion onto a contiguous lot that is not separated by a street, alley or other right-of-way, the applicant must demonstrate that:

- a. The established use on the contiguous lot is a use that is permitted in commercial as well as industrial zones, and that use has been established for at least ten (10) years prior to the date of application; and*
- b. The most recent business establishment on the contiguous lot has ceased operations or moved to another location for reasons unrelated to the proposed expansion of the retail sales and service use that is applying for the special exception.*

The established use of the former Seattle School District property located at 4141 4th Avenue South is a warehouse/maintenance facility. These used are permitted in both commercial and industrial zones. The use was established by Permit Number 642630 in 1988.

Use of the property ceased in 1999/2000 when the School District moved its operations to its new facility on South Lander Street. The South Land Street facility was established by Permit Numbers 721245 and 721246. Costco acquired the property after the School District moved its facility and surplused the subject property.

DECISION – SPECIAL EXCEPTION

The requested special exception to exceed the maximum retail sales and service size limit is **GRANTED**.

ANALYSIS – SEPA

The initial disclosure of the potential impacts from this project was made in the environmental checklist submitted by the applicant and dated January 28, 2004 and supplemental information found in the file which forms the basis for this analysis and decision.

The SEPA Overview Policy (SMC 25.05.665D) clarifies the relationship between codes, policies, and environmental review. Specific policies for each element of the environment, certain neighborhood plans, and other policies explicitly reference may serve as the basis for exercising substantive SEPA authority.

The Overview Policy states, in part: “Where City regulations have been adopted to address an environmental impact, it shall be presumes that such regulations are adequate to achieve sufficient mitigation,” subject to some limitations. Under such limitation/circumstances (SMC25.05.665D1-7) mitigation can be considered. Thus, a more detailed discussion of some of the impacts is appropriate.

Short-term Impacts

Short-term or construction activities could result in the following adverse impacts: soil erosion and runoff, mud and dirt on adjacent streets, emissions from construction machinery and vehicles, increased dust levels, increased noise levels, spot glare and lighting, blockage of sidewalks adjacent to the site, occasional disruption of adjacent vehicular traffic, and small increase in traffic and parking impacts due to construction workers' vehicles. Several construction-related impacts are mitigated by existing City codes and ordinances applicable to the project.

Construction Impacts

Various construction activities and contractor parking needs will affect the amount of on-site parking available to Costco customers and employees. It is expected that sufficient on-site parking will be provided to meet peak demand during most construction phases; however, following the opening of the new store, during which time the existing store will be demolished and fueling facilities will be under construction (Phase 2), parking demand is expected to exceed available on-site parking supply by approximately 152 vehicles. Some of this spillover parking demand will utilize parking spaces within the public right-of-way south of the site and along Fourth Avenue South; however, the public spaces do not provide sufficient capacity to accommodate all anticipated spillover demand. Therefore, during this phase, the project will be required to provide a minimum of 72 off-site parking spaces for customers and employees to meet expected spillover parking demand.

The project is expected to generate between 10 and 26 daily truck trips during demolition and construction, with a brief increase to 40 truck trips during two weeks of Phase II. Overall demolition and construction activity is expected to take approximately 1 year. To ensure that construction truck traffic has limited impacts on the surrounding street system, the project will be required to submit a construction truck route haul plan for review and approval by SDOT and DPD prior to starting demolition or construction activity.

Long-term Impacts

Long-term or use related impacts are also anticipated from the proposal: increased surface water runoff from greater site coverage by impervious surfaces; increased bulk and scale on the site; increased pedestrian and vehicular traffic; increased airborne emissions resulting from additional traffic; increased ambient noise due to increased human activity; increased demand on public services and utilities; increased light and glare; and increased energy consumption. These long-term impacts are not considered significant because the impacts are minor in scope.

The construction plans will be reviewed for stability and soils considerations by DPD's Geotechnical Engineer and the Building Plans Examiner, who will also require any additional soils-related information, recommendations, declarations, covenants and bonds as necessary in accordance with Director's Rules 3-93, and 3-94 prior to issuance of the Master Use Permit.

As indicated by the soils report, this project (as recommended by the geotechnical engineer) will not significantly increase the risk of land instability.

Historic Preservation

The building located at 4141 4th Avenue South, which is proposed to be demolished, appears on a Historic Building survey from 1979 and is also over 50 years old. The building was originally used as a Ford Motor Company Parts Building. The Historic Preservation Officer of the Department of Neighborhoods (DON) was requested to assess whether or not the structure appeared to meet any criteria for a landmark designation. Several major architectural features of the building have been substantially altered and the building does not have the level of historical significance of the other Ford Motor Buildings in Seattle. In a memorandum dated June 25, 2004, reference #LPB 190/04, DON determined that it is unlikely that the building would meet the standards for designation as an individual landmark. Impacts related to the demolition of this building would be non-significant.

Since the proposal site is located with the identified U.S. Government Meander Line, the potential exists for discovery of archeological significant resources and there may be some potential for unknown resources to be discovered. Director's Rule (DR) 2-98 provides clarification of State Environmental Policy Act (SEPA) Historic Preservation Policy for potential archeologically significant sites (SMC 25.05.675.H) and requirements for archeological assessments. Therefore, in the event such resources are found during construction, the proposal will be conditioned pursuant to DR 2-98 and as noted at the end of this report.

Transportation

The Costco site is located on the west side of Fourth Avenue South, between South Spokane Street and South Dawson Street. The primary site access point is a signalized intersection with Fourth Avenue South, located roughly midway along the east property line. The site also currently is served by two unsignalized access points north of the primary access; the proposed project would consolidate these two north driveways to a single unsignalized driveway. The Seattle Department of Transportation (SDOT) is determining whether left turns exiting the site will be allowed; the traffic impact analysis for this project (see below) identifies project transportation impacts for both left-turn-allowed and no-left-turn-allowed conditions. All other movements would be permitted at this access point. A driveway also is located south of the primary access point. Currently the driveway is limited to right-turn exit-only movements; with the project, this access point also would allow right-turn movements into the site, by constructing a deeper "throat" on-site and enforcing a left turn prohibition with installation of a raised median on Fourth Avenue South.

A traffic impact analysis was conducted by Transportation Solutions, Inc; the final report was produced in June 2004. The report describes existing and future background (without-project) transportation conditions in the vicinity of the project site. It also provides an estimate of additional traffic likely to be generated by the proposed project, and analyzes the impacts of this additional traffic on the roadway system.

The weekday PM peak hour was identified as the time period of greatest combined traffic movements along Fourth Avenue South and into and out of the Costco site. (Costco generates very little traffic during the AM peak hour, while Fourth Avenue South traffic volumes on Saturdays, during which Costco traffic volumes peak, is substantially lower than its traffic volumes during the weekday PM peak.) Analysis of existing conditions shows that the intersections near the Costco site perform well. All intersections in the study area, including Fourth Avenue South/South Spokane Street, Fourth Avenue South/South Dawson Street, and the Costco site access points, currently operate at a LOS (Level of Service) A or B.

The Costco expansion is expected to add approximately 3,500 trips on a typical weekday, with 343 of these trips occurring during the afternoon peak hour. Distribution of this traffic showed the majority of new trips accessing the site to and from the north on Fourth Avenue South, with smaller traffic volumes traveling on Fourth Avenue South south of the site.

The additional traffic from the Costco expansion would slightly increase delays at nearby intersections, including project driveways along Fourth Avenue South. All intersections in the study area would function with a LOS C or better following construction of the project. If left-turn egress is allowed at the north driveway, this access point would have a LOS of C; if left-turn egress is prohibited, the LOS would improve to B, with the left-turning traffic exiting at the primary signalized access point. This intersection is forecast to operate at LOS C whether or not left-turn egress is allowed at the north driveway.

To minimize potential for queues from the proposed fueling stations to interfere with on-site circulation or parking, the site design provides approximately 120 feet of storage for each fueling lane, equivalent to storage capacity for 40 to 50 vehicles (in addition to the 16 vehicles that can be queued at a given time). A Costco employee also will be on-site to assist members with expediting the fueling process and to help minimize queuing. The extensive queuing area, the presence of an on-site employee, and the distance between the fueling facility and the Fourth Avenue South driveways provides reasonable assurance that queues will not spill over onto Fourth Avenue South.

As noted above, the south driveway currently is limited to right-turn exit-only movements. The project would reconfigure this driveway to allow right-turn entering movements. Left turns to and from this driveway would be prohibited with installation of a raised median on Fourth Avenue South, and other improvements as deemed necessary by SDOT.

The long-term transportation impacts of the expanded Costco would be noticeable, but would be relatively minor. Sufficient capacity exists on Fourth Avenue South and other nearby roadways to accommodate the additional traffic volumes; therefore, pursuant to SMC 25.05.675 R, no mitigation for transportation impacts other than the above-mentioned turn prohibitions along Fourth Avenue South is required.

Parking

The existing Costco experiences peak parking demands on Saturday, as documented in the project's traffic impact analysis. The peak observed demand of 509 vehicles is estimated to consist of 60 employee vehicles and 449 customer vehicles. These vehicles are parked both in the 450 spaces available on-site and the 85 spaces located in public rights-of-way at the south end of the Costco site. Based on the proposed expansion, the future parking demand is expected to be approximately 668 vehicles during peak times (583 customers and 85 employees). Project plans indicate that 803 on-site stalls will be provided, which is expected to accommodate likely peak demand.

DECISION

This decision was made after review by the responsible official on behalf of the lead agency of a completed environmental checklist and other information on file with the responsible department. This constitutes the Threshold Determination and form. The intent of this declaration is to satisfy the requirements of the State Environmental Policy Act (RCW 43.21.C), including the requirement to inform the public of agency decisions pursuant to SEPA.

- [X] Determination of Non-Significance. This proposal has been determined to not have a significant adverse impact upon the environment. An EIS is not required under RCW 43.21C.030.(2)(c).
- [] Determination of Significance. This proposal has or may have a significant adverse impact upon the environment. An EIS is required under RCW 43.21C.030(2)(c).

CONDITIONS - SEPA

Prior to Issuance of Master Use Permits:

1. The owner and/or responsible parties shall provide DPD with a statement that the contract documents for their general, excavation, and other subcontractors will include reference to regulations regarding archaeological resources (Chapters 27.34, 26.53, 27.44, 79.01, and 79.90 RCW, and Chapter 25.48 WAC as applicable) and that construction crews will be required to comply with those regulations.

Prior to Demolition or Construction Activity

2. A truck haul route plan shall be provided to SDOT and DPD, documenting proposed truck access to and from the site.

During Construction:

3. Applicant shall provide a minimum of 72 off-site parking spaces for customers and employees on weekends during Phase II of construction and demolition.
4. Implement the Cultural Resources Construction Monitoring and Discovery Plan submitted to DPD on May 13, 2004.
5. If resources of potential archaeological significance are encountered during construction or excavation, the owner and/or responsible parties shall:
 - Stop work immediately and notify DPD (Darlene Edwards 206-684-5606) and the Washington State Archaeologist at the State Office of Archaeology and Historic Preservation (OAHP). The procedures outlined in Appendix A of Director's Rule 2-98 for assessment and/or protection of potentially significant archeological resources shall be followed.
 - Abide by all regulations pertaining to discovery and excavation of archaeological resources, including but not limited to Chapters 27.34, 27.53, 27.44, 79.01 and 79.90 RCW and Chapter 25.48 WAC, as applicable, or their successors.

Prior to Final of Construction Permit

6. Applicant shall design and construct all improvements deemed necessary by SDOT to preclude left-turns entering or exiting the south driveway, including median island(s), raised curbing, signing, and pavement markings.

Signature: _____ (signature on file) Date: July 22, 2004
Darlene Edwards, Land Use Planner
Department of Planning and Development

DE:bg

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